

**Dates**

October 1, 2007 to September 30, 2012.

3. *Applicant:* William R. Fraser, Polar Oceans Research Group, P.O. Box 368, Sheridan, MT 59749. Permit Application No. 2008-022.

**Activity for Which Permit Is Requested**

Take. The applicant plans to salvage seabird specimens that have died of natural causes. The specimens will be used for educational purposes at teaching and research institutions.

**Location**

Palmer Station, Marguerite Bay and vicinity.

**Dates**

October 1, 2007 to September 30, 2012.

**Nadene G. Kennedy,**

*Permit Officer, Office of Polar Programs.*  
[FR Doc. E7-18020 Filed 9-12-07; 8:45 am]  
**BILLING CODE 7555-01-P**

**OFFICE OF MANAGEMENT AND BUDGET**

**Public Availability of Fiscal Year 2006 Agency Inventories Under the Federal Activities Inventory Reform Act**

**AGENCY:** Office of Management and Budget, Executive Office of the President.

**ACTION:** Notice of Public Availability of Agency Inventory of Activities That Are Not Inherently Governmental and of Activities That Are Inherently Governmental.

**SUMMARY:** The Federal Activities Inventory Reform (FAIR) Act, Public Law 105-270, requires agencies to develop inventories each year of activities performed by their employees that are not inherently governmental—i.e., inventories of commercial activities. The FAIR Act further requires OMB to review the inventories in consultation with the agencies and publish a notice of public availability in the **Federal Register** after the consultation process is completed. In accordance with the FAIR

Act, OMB is publishing this notice to announce the availability of inventories from the agencies listed below. These inventories identify both commercial activities and activities that are inherently governmental.

This is the third and final release of the FAIR Act inventories for FY 2006. Interested parties who disagree with the agency's initial judgment may challenge the inclusion or the omission of an activity on the list of activities that are not inherently governmental within 30 working days and, if not satisfied with this review, may appeal to a higher level within the agency.

The Office of Federal Procurement Policy has made available a FAIR Act User's Guide through its Internet site: <http://www.whitehouse.gov/omb/procurement/fair-index.html>. This User's Guide will help interested parties review FY 2006 FAIR Act inventories.

**Paul A. Denett,**

*Administrator, Office of Federal Procurement Policy.*

**THIRD FAIR ACT RELEASE FY 2006**

Arlington National Cemetery .....	Mr. Rory Smith, (703) 607-8561 <a href="http://www.arlingtoncemetery.org">http://www.arlingtoncemetery.org</a> .
Armed Forces Retirement Home .....	Mr. Steven G. McManus, (202) 730-3533 <a href="http://www.afrh.gov">http://www.afrh.gov</a> .
Department of Housing and Urban Development (IG) .....	Mr. Michael Kirby, (202) 708-0614 x8190 <a href="http://www.hudoig.gov">http://www.hudoig.gov</a> .
Federal Communications Commission .....	Ms. Bonita Tingley, (202) 418-0293 <a href="http://www.fcc.gov/omb/reports.html">http://www.fcc.gov/omb/reports.html</a> .
Holocaust Museum .....	Ms. Helen Shepherd, (202) 314-0396 <a href="http://www.ushmm.org/notices/fair_act/2006.xls">http://www.ushmm.org/notices/fair_act/2006.xls</a> .
International Trade Commission .....	Mr. Stephen McLaughlin, (202) 205-3131 <a href="http://www.usitc.gov">http://www.usitc.gov</a> .
National Endowment for the Humanities .....	Mr. Barry Maynes, (202) 606-8233 <a href="http://www.neh.gov">http://www.neh.gov</a> .
National Transportation Safety Board .....	Ms. Carol Belovitch, (202) 314-6232 <a href="http://www.nts.gov/info/fair_act_2006.htm">http://www.nts.gov/info/fair_act_2006.htm</a> .
Office of Management and Budget .....	Ms. Lisa Ward, (202) 395-5670 <a href="http://www.whitehouse.gov/omb/procurement/fair/notices_avail.html">http://www.whitehouse.gov/omb/procurement/fair/notices_avail.html</a> .
Office of National Drug Control Policy .....	Mr. Daniel Petersen, (202) 395-6745 <a href="http://www.whitehousedrugpolicy.gov">http://www.whitehousedrugpolicy.gov</a> .
Railroad Retirement Board (IG) .....	Mr. William Tebbe, (312) 751-4350 <a href="http://www.rrb.gov/mep/oig.asp">http://www.rrb.gov/mep/oig.asp</a> .
Small Business Administration (IG) .....	Mr. Robert Fisher, (202) 205-6583 <a href="http://www.sba.gov/ig/OIG_Fair.html">www.sba.gov/ig/OIG_Fair.html</a> .
U.S. Patent and Trademark Office .....	Mr. Jack Buie, (571) 272-6283 <a href="http://www.uspto.gov">http://www.uspto.gov</a> .

[FR Doc. E7-18028 Filed 9-12-07; 8:45 am]  
**BILLING CODE 3110-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

**Submission for OMB Review; Comment Request**

*Upon Written Request, Copies Available*

*From:* Securities and Exchange Commission, Office of Investor Education and Advocacy, Washington, DC 20549-0213.

*Extension:*

Rule 6h-1, SEC File No. 270-497, OMB Control No. 3235-0555.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget a request for extension of the previously approved collection of information discussed below.

The Securities Exchange Act of 1934 (15 U.S.C. 78a) ("Act") requires national securities exchanges and national securities associations that trade security futures products to establish listing standards that, among other things, require: (1) Trading in such products not be readily susceptible to price manipulation; and (2) the market trading a security futures product to

have in place procedures to coordinate trading halts with the listing market for the security or securities underlying the security futures product. Rule 6h-1 under the Act (17 CFR 240.6h-1) implements these statutory requirements and requires national securities exchanges and national securities associations that trade security futures products: (1) To use final settlement prices for cash-settled security futures that fairly reflect the opening price of the underlying security or securities; and (2) to have rules providing that the trading of a security futures product based on a single security shall be halted at all times that a regulatory halt has been instituted for

the underlying security, and that the trading of a security futures product based on a narrow-based security index shall be halted at all times that a regulatory halt has been instituted for one or more of the underlying securities that constitute 50 percent or more of the market capitalization of the narrow-based security index.

It is estimated that approximately seventeen respondents will incur an average burden of ten hours per year to comply with this rule, for a total burden of 170 hours. At an average cost per hour of approximately \$197, the resultant total cost of compliance for the respondents is \$33,490 per year (seventeen entities × ten hours/entity × \$197/hour = \$33,490).

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Comments should be directed to (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503 or by sending an e-mail to: [Alexander.T.Hunt@omb.eop.gov](mailto:Alexander.T.Hunt@omb.eop.gov); and (ii) R. Corey Booth, Director/Chief Information Officer, Securities and Exchange Commission, c/o Shirley Martinson, 6432 General Green Way, Alexandria, VA 22312 or send an e-mail to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov). Comments must be submitted within 30 days of this notice.

Dated: September 6, 2007.

**Florence E. Harmon,**

*Deputy Secretary.*

[FR Doc. E7-18081 Filed 9-12-07; 8:45 am]

BILLING CODE 8010-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56376]

### Order Granting a Conditional Exemption to Broker-Dealers From Requirements in Rules 15c3-1 And 15c3-3 Under the Securities Exchange Act of 1934 To Promptly Transmit Customer Checks for the Purchase of Deferred Variable Annuity Contracts

September 7, 2007.

#### I. Background

The Securities and Exchange Commission (the "Commission") today approved new National Association of

Securities Dealers ("NASD")<sup>1</sup> Rule 2821.<sup>2</sup> NASD Rule 2821 sets forth recommendation requirements (including a suitability obligation), principal review and approval requirements, and supervisory and training requirements with respect to transactions in deferred variable annuities.

According to the NASD, it designed the rule to address significant and persistent sales-practice problems in sales of deferred variable annuities. One component of Rule 2821 is a requirement that registered principals perform a comprehensive and rigorous review of the transactions. Specifically, Rule 2821(c) states, in part, that: "Prior to transmitting a customer's application for a deferred variable annuity to the issuing insurance company for processing, but no later than seven business days after the customer signs the application, a registered principal shall review and determine whether he or she approves of the purchase or exchange of the deferred variable annuity."

Many broker-dealers are subject to lower net capital requirements under Securities Exchange Act of 1934 ("Exchange Act") Rule 15c3-1<sup>3</sup> and are exempt from the requirement to establish and fund a customer reserve account under Rule 15c3-3<sup>4</sup> because they do not carry customer funds or securities. Some of these broker-dealers receive checks from customers that are made out to third parties. Pursuant to Rules 15c3-1 and 15c3-3, a broker-dealer is not deemed to be carrying customer funds if it "promptly transmits" the checks to the third

<sup>1</sup> On July 26, 2007, the Commission approved a proposed rule change filed by NASD to amend NASD's Certificate of Incorporation to reflect its name change to Financial Industry Regulatory Authority, Inc., or FINRA, in connection with the consolidation of the member firm regulatory functions of NASD and NYSE Regulation, Inc. See Exchange Act Release No. 56146 (July 26, 2007), 72 FR 42190 (Aug. 1, 2007).

<sup>2</sup> See Exchange Act Release No. 56375 (Sep. 7, 2007).

<sup>3</sup> 17 CFR 240.15c3-1. The purpose of Rule 15c3-1 is to ensure that a broker or dealer at all times has sufficient liquid assets to promptly satisfy the claims of customers if the broker or dealer goes out of business.

<sup>4</sup> 17 CFR 240.15c3-3. The purpose of Rule 15c3-3 is to protect customers by assuring that broker-dealers do not use customers' funds or securities to fund the broker-dealer's operations. Among other things, Rule 15c3-3 requires that a broker-dealer make a periodic computation of the amount of money it is holding that constitutes customer funds or funds obtained from the use of customer securities. If this amount exceeds the amount of money customers owe the firm, the broker-dealer must deposit the excess in a special reserve bank account for the exclusive benefit of the firm's customers.

parties.<sup>5</sup> For purposes of Rules 15c3-1 and 15c3-3, the term "promptly transmit" means when "such transmission or delivery is made no later than noon of the next business day after the receipt of such funds or securities."<sup>6</sup>

According to the NASD, a broker-dealer may need to hold customer checks for more than one business day in order to comply with Rule 2821.

#### II. Discussion

The Commission has decided to exempt broker-dealers from any additional requirements of Rules 15c3-1 or 15c3-3 due solely to a failure to promptly transmit a check made payable to an insurance company for the purchase of a deferred variable annuity product by noon of the business day following the date the broker-dealer receives the check from the customer, provided:

(i) The transaction is subject to the principal review requirements of NASD Rule 2821 and a registered principal has reviewed and determined whether he or she approves of the purchase or exchange of the deferred variable annuity within seven business days in accordance with that rule;

(ii) the broker-dealer promptly transmits the check no later than noon of the business day following the date a registered principal reviews and determines whether he or she approves of the purchase or exchange of the deferred variable annuity; and

(iii) the broker-dealer maintains a copy of each such check and creates a record of the date the check was received from the customer and the date the check was transmitted to the insurance company if approved, or returned to the customer if rejected.

The purpose of Rule 15c3-1 is to ensure that a broker or dealer at all times has sufficient liquid assets to promptly satisfy the claims of customers and other creditors if the broker or dealer goes out of business. One purpose of Rule 15c3-3 is to protect customers by assuring that broker-dealers do not use customers' funds or securities to fund the broker-dealer's operations. The reasons these rules require that a broker-dealer promptly forward checks is to reduce the risk that a broker-dealer or an associated person

<sup>5</sup> When it amended the net capital rule in 1992, the Commission stated that a broker-dealer shall not be deemed to receive funds from customers if it receives checks made payable to certain entities other than itself (such as another broker-dealer or an escrow agent) and promptly transmits such funds. Exchange Act Release No. 31511 (Nov. 24, 1992), 57 FR 56973 (Dec. 2, 1992).

<sup>6</sup> See Exchange Act Release No. 31511 (Nov. 24, 1992), note 11, and 17 CFR 240.15c3-1(c)(9).